# Employee commitment to whom?
## Managerial challenges in multiple commitment foci organizations

**Nicholas Kinnie**
**Juani Swart**
**School of Management**
**University of Bath UK**

## INTRODUCTION

Employee commitment is now widely recognised as being vital to the experience of work and organizational performance (Meyer and Herscovitch 2001). Extensive research has sought to identify the HR practices which stimulate organizational commitment and discretionary behaviour central to firm success (Purcell *et al.* 2009). However, new networked ways of working challenge this logic. Employees are now more likely to work *across* as well as *within* organizational boundaries (Marchington *et al.* 2005) creating the opportunity for various stakeholders to compete for their commitment and weaken their attachment to their employer (McLean Parks *et al.* 1998). These multiple foci of commitment are especially important in firms which rely heavily on human capital and knowledge sharing for their success (Alvesson 2000).

This paper identifies various foci of commitment and discusses the ways managers seek to resolve the tensions that may arise from them. We are especially interested in Professional Service Firms (PSFs) which operate in complex networks of suppliers, partners and clients where employees spend much of their time working across organizational boundaries. Initially, we establish the theoretical background by examining the previous research in the field including organizational commitment and the multiple foci of commitment. Following this, we identify four commitment foci which we use as an analytical framework to typify the commitment tensions. We then discuss these types of tensions and the various practices used by managers to resolve them, drawing on case study material. Finally, we discuss our findings and consider the implications for theory and for practice.

## PREVIOUS RESEARCH

The knowledge based view (Grant 1996) points to the vital role played by employee knowledge, skills and experience in the production of valuable products and services in PSFs. This reliance on human capital means that employee attitudes and behaviour have an important impact on the success of the firm (Swart 2007). Extensive attention has been given to the concept of employee commitment because of its links to knowledge sharing, discretionary behaviour, retention and performance (Kim and Gong 2009; Meyer and Allen 1997).

We define commitment as 'a force which binds an individual to a course of action relevant to one or more targets' (Meyer and Herscovitch 2001: 301). Two streams of research can be recognised within the relevant literature. The first seeks to define the construct of organizational commitment and its dimensions and nature. Extensive work has gone into building models to identify the antecedents, correlates and outcomes associated with organizational commitment which has been linked extensively to reduced turnover and absenteeism and to improved job satisfaction and organizational citizenship behaviour (Meyer and Allen 1997). The second stream adopts a constituency approach and recognises the existence of a multiplicity of commitment (Reichers 1985; Becker 1992; McLean Parks *et al.* 1998; Gallagher and McLean Parks 2001). Reichers (1985) saw organizational commitment as comprising a series of multiple commitments which included management, co-workers and the immediate workgroup. Becker (1992) identified four internal sub-groups

which constituted the commitment foci: the organization, top management, the supervisor and the work group.

There are differences of view over the extent to which these foci are in conflict and either weaken or support organizational commitment. Reichers (1985) and McLean Parks *et al.* (1998) argue that the existence of multiple agents makes it difficult for the employee to identify with their employer. This situation may create a conflict of interest leading to psychological contracts which are fragmented and ambiguous, increasing the potential for breach and violation (Rousseau and McLean Parks 1993). Other research supports the notion of 'dual commitment' with evidence of commitment among temporary and contracted employees to both their clients and their employers (Connelly *et al.* 2004; Coyle-Shapiro *et al.* 2006). The research suggests that commitment to one agent or constituency is not necessarily at the expense of another, for instance a client. In effect they argued that commitment and satisfaction, either positive or negative, can be diffused through multiple relationships.

Regardless of whether a tension exists between the various foci of commitment we know that PSFs operate within complex and dynamic networks made up of clients, suppliers, partners, intermediaries, regulators and professional bodies, all of whom are often central to the success of the firm. This means that boundaries are becoming more permeable and internal structures are fragmented (Marchington *et al.* 2005). These networked ways of working may mean that a single, clearly identified employer may no longer be easily identified by employees with consequences for their commitment (Rubery *et al.* 2002; Marchington *et al.* 2005). In addition to employer and client foci we need to take account of the needs of knowledge workers for professional career development and their commitment to their project team.

Knowledge workers identify strongly with their profession and have a commitment to furthering their professional development and status (Swart 2007). Professional working tends to take place in project teams, which are often client focused, and the individual professional may have relatively little contact with other members of the organization (Gardner *et al.* 2007). There has been very little discussion of the managerial practices used to resolve tensions between commitment foci which do exist. However, as we have said, the ability to manage these tensions is critical to employers because of the impact on discretionary behaviour, especially their willingness to share knowledge and retention.

The previous research indicates that there are various tensions between the multiple foci of commitment in these organizations. However, there is uncertainty over the extent to which there is a conflict between commitment to these different foci. We study this issue by developing an analytical framework which identifies four potentially competing sources of commitment: (i) Organization (ii) Team (iii) Professional (iv) Client. We adapt the basic approach by Reichers (1985) to represent these four foci diagrammatically, as shown in Figure 1. Having identified the form that these take we consider the types of tensions that result from these and the managerial practices which are used in order to resolve the competing pulls. We draw on research conducted as part of a larger study looking at managing people and knowledge (Kinnie *et al.* 2006) in 12 PSFs in the marketing consulting, software, legal and outsourcing sectors where our data collection was guided by the multiple-case logic suggested by Eisenhardt (1989). This involved a series of extensive interviews with directors and managers and observations of project teams in action. These data were collected during the period November 2004 to February 2006. In total 150 interviews were conducted and 48 observations carried out. The interviews lasted between 60 and 90 minutes and were recorded and transcribed. This was supplemented by studying secondary data such as in-house documents relating to HR strategy and practices.

## TYPOLOGY OF COMMITMENT TENSIONS

We now draw on the previous research which suggests there is a conflict or tension between employee commitment to different foci. However, we argue that the conflicting pulls are much

more profound and complex than simply impacting on role conflict. They are more profound because they involve the commitment and loyalty of employees to the different agents rather than just conflicts in aspects of their job role (Rubery *et al.* 2002) which in turn direct behaviour (Meyer and Herscovitch 2001) and in the case of the PSF this has a direct impact on knowledge sharing behaviour. They are more sophisticated because we identify multiple pulls on employee commitment rather than just the employer or the client.
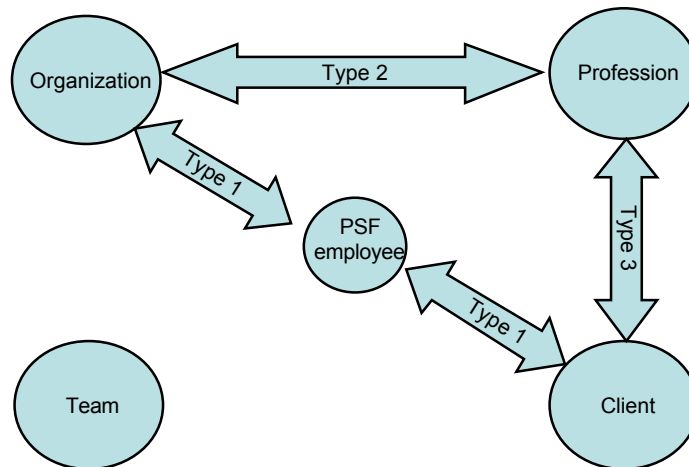


**Figure 1: Types of commitment tensions**

**Type 1 tension – organizational commitment and client commitment**

Perhaps the most likely tension is between the need to serve the interests of the employing organization and the client (Alvesson 2000). Professional knowledge workers are required to pay close attention to the needs of their clients and often form close relationships with key members of their staff. They have to understand the client and their products and markets in great detail if they are to provide a good service to the client. However, they also need to keep the interests of their employing organization in mind. This tension can be played out in a number of ways.

First, at an operational level this can mean that employees have to be highly responsive to the demands of clients, perhaps working long hours or travelling long distances to match the commitment of the client's employees and to respond quickly to meet their needs. At the same time they need to be committed to their responsibilities to the firm, for example attending team building exercises or carrying out staff appraisals. This may also lead to conflict over allegiance to different clients: employees in a marketing agency would commit to a delivery deadline for one client and then be asked by their managers to give priority to a different client at short notice. Second, the client may put them under pressure to increase the range of activities they carry out for them – including activities which are not part of the formal contract – usually referred to as 'scope creep'. However, these employees are under pressure from their employer to adhere to the negotiated contract and turn these additional activities into opportunities for new business under a separate contract, rather than effectively doing them for free. Third there is the potential for conflict over the achievement of targets. Employees will be under pressure to reach certain performance targets for example the use of the 'billable hour' by the law firms as the basis for charging clients for their services. A tension exists here between the firm's aim of increasing returns to partners, the client's goal to maximise value, and minimise costs, and the interests of the individual lawyer who aims to hit their billings targets (Leblebici 2007). This conflict exists because although the interests of the firm and the client are similar – they both want the contract or assignment to be a success – they are not identical. This difference tends to show up most clearly when decisions are made over the services provided to clients and the charges for these.

A final example of this conflict is when the employees of the PSF are exposed to attractive employment opportunities in their clients. For example employees of the outsourcing firm were often working with the strong cultures and superior HR practices of their multinational clients. At the same time the employees felt the pull of allegiance to their employer who, after all, had provided them with the opportunity to work for that client and supported them, for example through training and coaching activities.

There are various reasons why this conflict may emerge. The firm will want to retain their employees because of the valuable resources they possess, especially their knowledge and relationships with clients (Alvesson 2004) but at the same time they know that to be successful they must do a good job for the client. The extent to which employees interact with their clients and their employer is also important (Mueller and Lawler, 1999). For example in the outsourcing case study the employees were embedded in the client, most of their day-to-day interactions were with the client's employees and they had relatively little contact with their employer.

**Type 2 tension – organizational commitment and professional commitment**

The key tension here is between employee commitment to the organization and their professional commitment. The PSF wants their employees to develop firm-specific skills to create distinctive client offerings which generate competitive advantage. According to the resource-based view of the firm, the PSF would want to develop capabilities which are valuable, unique, inimitable and non-substitutable (Barney 1991). However, this can clash with the employees' desire to develop profession-specific skills which are transferable. Indeed, professional knowledge workers often trade on their employability.

This tension, which is effectively between the employee's profession and the organization has a number of dimensions. Perhaps the most basic is between the desire of the knowledge worker to engage in training and development that is specific to their profession and the ability of the firm to provide this. For example in one marketing agency the employees were keen to attend various training courses, but budget limitations meant the firm was unable to fund these or to offer paid time off. A subtle but important variation of this was where the employees knew there were funds available, but the agency was unwilling to pay for the training or give time off because it was not sufficiently firm specific. Both these situations can cause intense frustrations for employees hungry to develop their knowledge and skills. Second, it is often more important to learn informally from other respected professionals in the organization but client pressures may make this difficult. Third, a tension exists even if employees are given the chance to develop the cutting edge skills that they seek. The risk is that employees become more attractive to their clients and their competitors as their knowledge and skills are strengthened. This coupled with the superior employment conditions offered elsewhere may provide a strong incentive to move 'client side'.

Finally, there is the tension between the need for employees to be sufficiently committed to the organization to engage in discretionary behaviour and their willingness to do this and sense of ownership they have over their knowledge and skills. It is not the simple possession of knowledge and skills which is vital for success so much as the employees' intention and ability to enact their developed knowledge and skill. This is sometimes referred to as the difference between Human Capital Advantage and Organizational Process Advantage (Boxall 1996; Alvesson 2004). This means that they have to be sufficiently committed to stretch themselves to produce their very best work, rather than work which is simply good enough. However, employees may withhold a high level of effort perhaps because they are bored with their work. Professional knowledge workers have a strong feeling of ownership over their knowledge and skills and can exercise choice as to whether they use them to their full extent. The underlying reason here is that employees have often invested substantially, both in terms of time and money, to develop their knowledge and skills and may feel high ownership over them.

**Type 3 tension – professional commitment and client commitment**

The third tension between commitment to the profession, i.e. the employees who are looking for interesting and challenging work to further their professional development and the commitment to the client, i.e. meeting client needs can be shown in a variety of ways. More broadly, there may be a tension between the professional standards and values held by employees and the tasks they are asked to carry out by their clients.

For example, at an operational level, in a marketing agency the creative staff may develop innovative, fresh ideas only to find them rejected by clients who want more conservative solutions. Clients were often looking for a high quality replication of existing campaigns whereas the creatives wanted to develop award winning and novel campaigns. The tension here was between repetition (client commitment) and novelty (professional commitment). Second, there may be a difference of opinion over the professional's view of what will work and the wishes of the client. For example an employee may recommend a certain course of action using their professional judgement only to find the client wants to do something quite different. There is a delicate balance here between maintaining relations with the client and doing what is going to be most effective for the client. Third, there may be a tension between the employees' desire to develop a diverse skill-set which is brought about by working on different client accounts, and the client's wish to retain them on their account. Over time staff build up a high level of knowledge of a client's products and services and develop good relationships with individual representatives of the client. This will be attractive to the client as trust and intuitive understandings are developed and to the PSF who see the employee as indispensable to keeping the client happy. However, this can become a source of intense frustration to the employee who feels they can develop no further and is looking for a new challenge on another client account.

The root cause of this problem lies in the importance of the resource allocation process and the dilemmas involved in operating this. Decisions over which staff to allocate to projects and assignments epitomise the need to resolve the tension between the commitment of employees to their profession and their client.

**DISCUSSION**

In this section we move our perspective from the individual employee to that of the firm. We examine the various ways in which firms seek to resolve (Coff 1997) the managerial challenges which result from the commitment tensions We consider organizational strategy and structure, HR practices and the role of line managers, drawing on our case study data.

**Organizational strategy and structure**

There is clear evidence among our cases that organizational strategy played a key role in resolving the commitment tensions observed. All of the PSFs we studied explicitly stated that their client strategy was at the centre of their organizational strategy; without exception they claimed that satisfying client needs was their top priority. However, the vital solution to solving the Type 1 tension (between the organization and the client) is to stress the common goals that exist between the firm and the client. Organization structure was also important in the outsourcing firm as a way of avoiding too strong an identification with the client Rather than structuring their organization around clients and sectors, possibly leading to client silos, they chose an organization design based around key business processes, which overcame dominant client and teams influences on employee commitment. The focus was on firm-wide business processes and creating weak internal boundaries. The Type 2 commitment tensions (profession-organization) were also addressed by organization strategy and structure. Most of the firms had multiple clients in different sectors which created the opportunity for staff to move between them. This approach also helped to manage the Type 3 tension (client-profession). In particular one marketing agency stressed the benefits to clients of their staff moving between accounts.

**HR practices**

HR practices played a key role in trying to resolve all three of the commitment tensions we identified. The most successful firms placed a strategic value on HR or people management. In one marketing agency the Head of People sat on the main board and was central to all the key decision making activities. In terms of the practices themselves the development of centralised and standardised practices to be used throughout all the locations of the firm was seen as key to enhancing commitment to the organization. Many of the HR practices were designed to be aligned to the culture of the firm and are aimed at developing either instrumental or identification-based loyalty to their employer (Alvesson 2004). For example, one marketing agency sought to generate identification based loyalty by ensuring their culture of inclusiveness was reflected in their performance management system which was initiated by employee self-appraisal. Recruitment and selection practices are absolutely vital for stimulating commitment to the firm. Induction was also a key mechanism for generating organizational commitment. For example the outsourcing firm ensured that new employees had a thorough induction to both their employing organization and to the client to which they were assigned. They paid particular attention to making sure that new entrants understood their business model so they could see where the client and firm's interests overlapped and where they did not.

Tensions between organizational and professional commitment (Type 2) were resolved in a variety of ways. The outsourcing firm emphasised the assignment based organization structure in their recruitment proposition. They were anxious to explain to potential recruits the benefits of moving between accounts compared with working in-house. Type 2 tensions may be mitigated by providing access to training for professional qualifications and good support. All the law firms were committed to the apprenticeship model of training used in the sector for training recruits. In addition to this a key role was played by senior members of staff, especially Partners, in the crucial five year period following qualification.

This approach was also helpful in resolving the Type 3 tension between clients and professional commitment. This proactive approach to coaching allied with the policy of rotating staff between clients was especially important in the marketing agencies. In one marketing agency training was deliberately aimed at line managers to improve their people management and coaching skills.

**Line managers and teams**

As we know (Purcell *et al.* 2009) line managers play a key role in implementing managerial decisions and HR practices and have a big impact on the day-to-day experience of work, especially for junior employees. Line managers, particularly in providing leadership for teams, were key to resolving all three commitment tensions. For example the line manager role was critically important in the outsourcing organization where employees frequently worked on client sites. Teams can help to resolve this conflict by becoming the focal point for the brands of the client and their employer, as team members look to the client in their day-to-day working to provide high quality service but they realise that their ability to provide this service is dependent on their employer.

The line manager role was especially important in seeking to resolve the other two types of commitment tensions. In many of our cases the line managers played a key role in coaching and mentoring more junior staff. There was a strong emphasis on providing professional development opportunities within the firm rather than externally. This was especially important given the tacit nature of the most valuable knowledge. Indeed, line managers realise that the nature of the coaching they provide is critical to attracting and retaining valuable staff.

Line managers also use the reputation of their team as a way of resolving the Type 3 commitment tension (profession–client). Indeed, they will be aware of the importance of the image that their team has within the firm as a whole for attracting and retaining good staff.

They know a strong reputation will allow them to attract and retain good staff and provide a good service to clients. They want to create a situation where staff aspire to work because they know they will get good opportunities for professional development and that having got their experience these staff will be in a good position to move elsewhere in the organization. They intend that the client brand and the experience of work will adhere to their staff during the rest of their time with the firm. The client should also benefit from this because of the high quality of the human capital attracted to work on the account.

## CONCLUSIONS AND IMPLICATIONS

Our discussion has provided insights into the nature of multiple commitment foci faced by many PSFs, the types of tensions that result from these and how these tensions might be managed. This has implications for both theory and practice.

We have recognised multiple commitment foci and argued that these should not be restricted to two, the employer and the client, (Coyle-Shapiro *et al.* 2006) but should also include commitment to the profession and the team (Reichers 1985). The identification of multiple foci has allowed us to develop three types of commitment tensions which provide insights into the influences on the attitudes and behaviour of employees who habitually work across organizational boundaries. Indeed, this poses a challenge to the firm-based unit of analysis which sees contingent working as non-standard compared to one in which cross-boundary working is the norm (Leanna and van Buren 1999). Furthermore, we have provided insights into the types of practices which are used to manage the resulting tensions and to begin to develop our understanding of how PSFs seek to work across dynamic boundaries. In this way, the managerial practices themselves can be used as boundary-spanning devices to co-create knowledge and build client relationships. This contributes directly to the developing literature on cross-boundary working in PSFs.

This paper can be developed further in a number of ways. First, more evidence is needed of the various commitment tensions. We have identified three types of tensions, but others, for example between the team and the organization, or between professional and team commitment may also exist. Second, we need to consider in more detail the explanation for these patterns. We have begun to consider the impact of the *nature* of the client relationship on the management of these tensions. This needs to be considered in much more detail. Third, these observations offer the possibility of developing theory which contributes to our understanding of the resolution of these tensions more generally. It is possible to develop a framework which identifies different types of multiple commitment foci challenges linked to the nature of the relationships with clients. This would help us to identify the nature of the resulting managerial challenges and the types of solutions that might be adopted. Finally, it would be very valuable to collect systematic data concerning the influences on the behaviour attached to the various forms of commitment within PSFs.

There are widespread practical implications of this work. First, we have provided insights into the various types of multiple commitment tensions. Second, this typology provides the basis for an analytical framework that managers can use to identify the attitudes and behaviour that exist within their own organizations. They could collect data to identify the nature of commitment to different parties, how this varies within their organization (e.g. by client, location, demographic characteristics of employees) and what the relationships are between perceived support, commitment and behaviour. Third, after this diagnostic phase consideration could be given to the various direct and indirect actions that could be used to manage particular types of commitment. Finally, firms could consider which client relationships would best help them to manage the potential conflicts between the different foci of commitment which in turn would inform and shape their client relationship strategies.

**References**

Alvesson, M. (2000) Social identity and the problem of loyalty in knowledge intensive companies. *Journal of Management Studies*, 37(8):1101-1123.

Alvesson, M. (2004) *Knowledge Work and Knowledge-Intensive Firms*, Oxford: Oxford University Press.

Barney, J.B., (1991) Firm resources and sustained competitive advantage, *Journal of Management*, 17 (1): 99-120.

Becker, T.E. Billings, R.S. Eveleth D.M (1996) Foci and bases of employee commitment: implications for job performance, *Academy of Management Journal,* 39(2): 464-482.

Boxall, P. (1996) The strategic HRM debate and the resource-based view of the firm, *Human Resource Management Journal,* 9(3): 265-288.

Coff, R. W. (1997) Human Assets and Management Dilemmas: Coping with Hazards on the road to Resource-Based Theory, *Academy of Management Review*, 22(2) 374-402.

Coyle Shapiro, J.A.M and Morrow, P. and Kessler, I. (2006) Serving two organizations: exploring the employment relationship of contracted employees, *Human Resource Management*, 45(4): 561-583.

Eisenhardt, K. M. (1989) Building theories from case study research. *Academy of Management Review*, 14: 532-550.

Gallagher, D.G. and Parks, J.M. (2001) I Pledge Thee my Troth...Contingently Commitment and the Contingent Work Relationship, *Human Resource Management Review*, 11: 181-208.

Gardner, H., Morris, T., & Anand, N. (2007) Developing new practices: recipes for success. In L. Empson (ed) *Managing the modern law firm: new challenges and new perspectives*. Oxford: OUP.

Grant, R. (1996) 'Towards a knowledge-based view of the firm', *Strategic Management Journal,* 17: 109-22.

Kim, H., and Gong, Y. (2009) The roles of tacit knowledge and OCB in the relationship between group-based pay and firm performance. *Human Resource Management Journal*, 19(2): 120-139.

Kinnie, N., Swart, J., Lund, M., Snell, S., Morris, S. and Kang, SC. (2006) *Managing People and Knowledge in Professional Service Firms* London: CIPD.

Leana, C. R. and van Buren, H. J. (1999) Organizational social capital and Employment Practices, *Academy of Management Review*, 24 (3): 538-555.

Leblebici H. (2007) Your income. Determining the value of legal knowledge: billing and compensation practices in law firms in Empson, L. *Managing the Modern Law Firm*, Oxford: Oxford University Press.

Marchington, M. Grimshaw, D. Rubery, J. and Willmott, H. (Eds) (2005) *Fragmenting Work*, Oxford: Oxford University Press.

McLean Parks, J., Kidder, D. and Gallagher, D.G. (1998) Fitting square pegs into round holes: mapping the domain of contingent work arrangements onto the psychological contract, *Journal of Organizational Behaviour*, 19: 697-730.

Meyer, J.P. and Herscovitch, L. (2001). Commitment in the Workplace: Toward a General Model, *Human Resource Management Review*, 11: 299-326.

Meyer, J.P. and Allen, N.J. (1997) *Commitment in the workplace: theory research and application,* Thousand Oaks, CA: Sage.

Mueller, C.W. and Lawler, E.J. (1999) Commitment to nested organizational units: some basic principles and preliminary findings, *Social Psychology Quarterly,* 62(4): 325-346.

Purcell, J., Kinnie, N., Swart, J., Rayton, B. and Hutchinson, S. (2009) *People Management and Performance*, London: Routledge.

Reichers, A. (1985) A review and reconceptualisation of organizational commitment, *Academy of Management Review*, 10(3): 465-473.

Rousseau, D. M. and McLean Parks, J. (1993) The contracts of individuals and organizations, in: Cummings, L. L. and Staw, B. M. (Eds.), *Research in Organizational Behavior*, 15: 1-43, JAI Press, Greenwich, CT.

Rubery, J., Earnshaw, J., Marchington, M., Cooke, F.L., Vincent, S. (2002) 'Changing Organizational Forms and the Employment Relationship', *Journal of Management Studies,* 39(5): 645-672.

Swart, J. (2007) HRM and Knowledge Workers in P. Boxall, J. Purcell, and P. Wright, (eds) *The Oxford Handbook of Human Resource Management,* Oxford: Oxford University Press.